



Rep. Michael J. Madigan

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1 AMENDMENT TO SENATE BILL 1313

2 AMENDMENT NO. _____. Amend Senate Bill 1313, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 1. The Illinois Administrative Procedure Act is
6 amended by changing Section 5-45 as follows:

7 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

8 Sec. 5-45. Emergency rulemaking.

9 (a) "Emergency" means the existence of any situation that
10 any agency finds reasonably constitutes a threat to the public
11 interest, safety, or welfare.

12 (b) If any agency finds that an emergency exists that
13 requires adoption of a rule upon fewer days than is required by
14 Section 5-40 and states in writing its reasons for that
15 finding, the agency may adopt an emergency rule without prior
16 notice or hearing upon filing a notice of emergency rulemaking

1 with the Secretary of State under Section 5-70. The notice
2 shall include the text of the emergency rule and shall be
3 published in the Illinois Register. Consent orders or other
4 court orders adopting settlements negotiated by an agency may
5 be adopted under this Section. Subject to applicable
6 constitutional or statutory provisions, an emergency rule
7 becomes effective immediately upon filing under Section 5-65 or
8 at a stated date less than 10 days thereafter. The agency's
9 finding and a statement of the specific reasons for the finding
10 shall be filed with the rule. The agency shall take reasonable
11 and appropriate measures to make emergency rules known to the
12 persons who may be affected by them.

13 (c) An emergency rule may be effective for a period of not
14 longer than 150 days, but the agency's authority to adopt an
15 identical rule under Section 5-40 is not precluded. No
16 emergency rule may be adopted more than once in any 24 month
17 period, except that this limitation on the number of emergency
18 rules that may be adopted in a 24 month period does not apply
19 to (i) emergency rules that make additions to and deletions
20 from the Drug Manual under Section 5-5.16 of the Illinois
21 Public Aid Code or the generic drug formulary under Section
22 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
23 emergency rules adopted by the Pollution Control Board before
24 July 1, 1997 to implement portions of the Livestock Management
25 Facilities Act, (iii) emergency rules adopted by the Illinois
26 Department of Public Health under subsections (a) through (i)

1 of Section 2 of the Department of Public Health Act when
2 necessary to protect the public's health, (iv) emergency rules
3 adopted pursuant to subsection (n) of this Section, ~~or~~ (v)
4 emergency rules adopted pursuant to subsection (o) of this
5 Section, or (vi) emergency rules adopted pursuant to subsection
6 (c-5) of this Section. Two or more emergency rules having
7 substantially the same purpose and effect shall be deemed to be
8 a single rule for purposes of this Section.

9 (c-5) To facilitate the maintenance of the program of group
10 health benefits provided to annuitants, survivors, and retired
11 employees under the State Employees Group Insurance Act of
12 1971, rules to alter the contributions to be paid by the State,
13 annuitants, survivors, retired employees, or any combination
14 of those entities, for that program of group health benefits,
15 shall be adopted as emergency rules. The adoption of those
16 rules shall be considered an emergency and necessary for the
17 public interest, safety, and welfare.

18 (d) In order to provide for the expeditious and timely
19 implementation of the State's fiscal year 1999 budget,
20 emergency rules to implement any provision of Public Act 90-587
21 or 90-588 or any other budget initiative for fiscal year 1999
22 may be adopted in accordance with this Section by the agency
23 charged with administering that provision or initiative,
24 except that the 24-month limitation on the adoption of
25 emergency rules and the provisions of Sections 5-115 and 5-125
26 do not apply to rules adopted under this subsection (d). The

1 adoption of emergency rules authorized by this subsection (d)
2 shall be deemed to be necessary for the public interest,
3 safety, and welfare.

4 (e) In order to provide for the expeditious and timely
5 implementation of the State's fiscal year 2000 budget,
6 emergency rules to implement any provision of this amendatory
7 Act of the 91st General Assembly or any other budget initiative
8 for fiscal year 2000 may be adopted in accordance with this
9 Section by the agency charged with administering that provision
10 or initiative, except that the 24-month limitation on the
11 adoption of emergency rules and the provisions of Sections
12 5-115 and 5-125 do not apply to rules adopted under this
13 subsection (e). The adoption of emergency rules authorized by
14 this subsection (e) shall be deemed to be necessary for the
15 public interest, safety, and welfare.

16 (f) In order to provide for the expeditious and timely
17 implementation of the State's fiscal year 2001 budget,
18 emergency rules to implement any provision of this amendatory
19 Act of the 91st General Assembly or any other budget initiative
20 for fiscal year 2001 may be adopted in accordance with this
21 Section by the agency charged with administering that provision
22 or initiative, except that the 24-month limitation on the
23 adoption of emergency rules and the provisions of Sections
24 5-115 and 5-125 do not apply to rules adopted under this
25 subsection (f). The adoption of emergency rules authorized by
26 this subsection (f) shall be deemed to be necessary for the

1 public interest, safety, and welfare.

2 (g) In order to provide for the expeditious and timely
3 implementation of the State's fiscal year 2002 budget,
4 emergency rules to implement any provision of this amendatory
5 Act of the 92nd General Assembly or any other budget initiative
6 for fiscal year 2002 may be adopted in accordance with this
7 Section by the agency charged with administering that provision
8 or initiative, except that the 24-month limitation on the
9 adoption of emergency rules and the provisions of Sections
10 5-115 and 5-125 do not apply to rules adopted under this
11 subsection (g). The adoption of emergency rules authorized by
12 this subsection (g) shall be deemed to be necessary for the
13 public interest, safety, and welfare.

14 (h) In order to provide for the expeditious and timely
15 implementation of the State's fiscal year 2003 budget,
16 emergency rules to implement any provision of this amendatory
17 Act of the 92nd General Assembly or any other budget initiative
18 for fiscal year 2003 may be adopted in accordance with this
19 Section by the agency charged with administering that provision
20 or initiative, except that the 24-month limitation on the
21 adoption of emergency rules and the provisions of Sections
22 5-115 and 5-125 do not apply to rules adopted under this
23 subsection (h). The adoption of emergency rules authorized by
24 this subsection (h) shall be deemed to be necessary for the
25 public interest, safety, and welfare.

26 (i) In order to provide for the expeditious and timely

1 implementation of the State's fiscal year 2004 budget,
2 emergency rules to implement any provision of this amendatory
3 Act of the 93rd General Assembly or any other budget initiative
4 for fiscal year 2004 may be adopted in accordance with this
5 Section by the agency charged with administering that provision
6 or initiative, except that the 24-month limitation on the
7 adoption of emergency rules and the provisions of Sections
8 5-115 and 5-125 do not apply to rules adopted under this
9 subsection (i). The adoption of emergency rules authorized by
10 this subsection (i) shall be deemed to be necessary for the
11 public interest, safety, and welfare.

12 (j) In order to provide for the expeditious and timely
13 implementation of the provisions of the State's fiscal year
14 2005 budget as provided under the Fiscal Year 2005 Budget
15 Implementation (Human Services) Act, emergency rules to
16 implement any provision of the Fiscal Year 2005 Budget
17 Implementation (Human Services) Act may be adopted in
18 accordance with this Section by the agency charged with
19 administering that provision, except that the 24-month
20 limitation on the adoption of emergency rules and the
21 provisions of Sections 5-115 and 5-125 do not apply to rules
22 adopted under this subsection (j). The Department of Public Aid
23 may also adopt rules under this subsection (j) necessary to
24 administer the Illinois Public Aid Code and the Children's
25 Health Insurance Program Act. The adoption of emergency rules
26 authorized by this subsection (j) shall be deemed to be

1 necessary for the public interest, safety, and welfare.

2 (k) In order to provide for the expeditious and timely
3 implementation of the provisions of the State's fiscal year
4 2006 budget, emergency rules to implement any provision of this
5 amendatory Act of the 94th General Assembly or any other budget
6 initiative for fiscal year 2006 may be adopted in accordance
7 with this Section by the agency charged with administering that
8 provision or initiative, except that the 24-month limitation on
9 the adoption of emergency rules and the provisions of Sections
10 5-115 and 5-125 do not apply to rules adopted under this
11 subsection (k). The Department of Healthcare and Family
12 Services may also adopt rules under this subsection (k)
13 necessary to administer the Illinois Public Aid Code, the
14 Senior Citizens and Disabled Persons Property Tax Relief and
15 Pharmaceutical Assistance Act, the Senior Citizens and
16 Disabled Persons Prescription Drug Discount Program Act (now
17 the Illinois Prescription Drug Discount Program Act), and the
18 Children's Health Insurance Program Act. The adoption of
19 emergency rules authorized by this subsection (k) shall be
20 deemed to be necessary for the public interest, safety, and
21 welfare.

22 (l) In order to provide for the expeditious and timely
23 implementation of the provisions of the State's fiscal year
24 2007 budget, the Department of Healthcare and Family Services
25 may adopt emergency rules during fiscal year 2007, including
26 rules effective July 1, 2007, in accordance with this

1 subsection to the extent necessary to administer the
2 Department's responsibilities with respect to amendments to
3 the State plans and Illinois waivers approved by the federal
4 Centers for Medicare and Medicaid Services necessitated by the
5 requirements of Title XIX and Title XXI of the federal Social
6 Security Act. The adoption of emergency rules authorized by
7 this subsection (l) shall be deemed to be necessary for the
8 public interest, safety, and welfare.

9 (m) In order to provide for the expeditious and timely
10 implementation of the provisions of the State's fiscal year
11 2008 budget, the Department of Healthcare and Family Services
12 may adopt emergency rules during fiscal year 2008, including
13 rules effective July 1, 2008, in accordance with this
14 subsection to the extent necessary to administer the
15 Department's responsibilities with respect to amendments to
16 the State plans and Illinois waivers approved by the federal
17 Centers for Medicare and Medicaid Services necessitated by the
18 requirements of Title XIX and Title XXI of the federal Social
19 Security Act. The adoption of emergency rules authorized by
20 this subsection (m) shall be deemed to be necessary for the
21 public interest, safety, and welfare.

22 (n) In order to provide for the expeditious and timely
23 implementation of the provisions of the State's fiscal year
24 2010 budget, emergency rules to implement any provision of this
25 amendatory Act of the 96th General Assembly or any other budget
26 initiative authorized by the 96th General Assembly for fiscal

1 year 2010 may be adopted in accordance with this Section by the
2 agency charged with administering that provision or
3 initiative. The adoption of emergency rules authorized by this
4 subsection (n) shall be deemed to be necessary for the public
5 interest, safety, and welfare. The rulemaking authority
6 granted in this subsection (n) shall apply only to rules
7 promulgated during Fiscal Year 2010.

8 (o) In order to provide for the expeditious and timely
9 implementation of the provisions of the State's fiscal year
10 2011 budget, emergency rules to implement any provision of this
11 amendatory Act of the 96th General Assembly or any other budget
12 initiative authorized by the 96th General Assembly for fiscal
13 year 2011 may be adopted in accordance with this Section by the
14 agency charged with administering that provision or
15 initiative. The adoption of emergency rules authorized by this
16 subsection (o) is deemed to be necessary for the public
17 interest, safety, and welfare. The rulemaking authority
18 granted in this subsection (o) applies only to rules
19 promulgated on or after the effective date of this amendatory
20 Act of the 96th General Assembly through June 30, 2011.

21 (Source: P.A. 95-12, eff. 7-2-07; 95-331, eff. 8-21-07; 96-45,
22 eff. 7-15-09; 96-958, eff. 7-1-10; 96-1500, eff. 1-18-11.)

23 Section 5. The State Employees Group Insurance Act of 1971
24 is amended by changing Sections 3, 10, and 15 as follows:

1 (5 ILCS 375/3) (from Ch. 127, par. 523)

2 Sec. 3. Definitions. Unless the context otherwise
3 requires, the following words and phrases as used in this Act
4 shall have the following meanings. The Department may define
5 these and other words and phrases separately for the purpose of
6 implementing specific programs providing benefits under this
7 Act.

8 (a) "Administrative service organization" means any
9 person, firm or corporation experienced in the handling of
10 claims which is fully qualified, financially sound and capable
11 of meeting the service requirements of a contract of
12 administration executed with the Department.

13 (b) "Annuitant" means (1) an employee who retires, or has
14 retired, on or after January 1, 1966 on an immediate annuity
15 under the provisions of Articles 2, 14 (including an employee
16 who has elected to receive an alternative retirement
17 cancellation payment under Section 14-108.5 of the Illinois
18 Pension Code in lieu of an annuity), 15 (including an employee
19 who has retired under the optional retirement program
20 established under Section 15-158.2), paragraphs (2), (3), or
21 (5) of Section 16-106, or Article 18 of the Illinois Pension
22 Code; (2) any person who was receiving group insurance coverage
23 under this Act as of March 31, 1978 by reason of his status as
24 an annuitant, even though the annuity in relation to which such
25 coverage was provided is a proportional annuity based on less
26 than the minimum period of service required for a retirement

1 annuity in the system involved; (3) any person not otherwise
2 covered by this Act who has retired as a participating member
3 under Article 2 of the Illinois Pension Code but is ineligible
4 for the retirement annuity under Section 2-119 of the Illinois
5 Pension Code; (4) the spouse of any person who is receiving a
6 retirement annuity under Article 18 of the Illinois Pension
7 Code and who is covered under a group health insurance program
8 sponsored by a governmental employer other than the State of
9 Illinois and who has irrevocably elected to waive his or her
10 coverage under this Act and to have his or her spouse
11 considered as the "annuitant" under this Act and not as a
12 "dependent"; or (5) an employee who retires, or has retired,
13 from a qualified position, as determined according to rules
14 promulgated by the Director, under a qualified local
15 government, a qualified rehabilitation facility, a qualified
16 domestic violence shelter or service, or a qualified child
17 advocacy center. (For definition of "retired employee", see (p)
18 post).

19 (b-5) (Blank). ~~"New SERS annuitant" means a person who, on~~
20 ~~or after January 1, 1998, becomes an annuitant, as defined in~~
21 ~~subsection (b), by virtue of beginning to receive a retirement~~
22 ~~annuity under Article 14 of the Illinois Pension Code~~
23 ~~(including an employee who has elected to receive an~~
24 ~~alternative retirement cancellation payment under Section~~
25 ~~14-108.5 of that Code in lieu of an annuity), and is eligible~~
26 ~~to participate in the basic program of group health benefits~~

1 ~~provided for annuitants under this Act.~~

2 (b-6) (Blank). ~~"New SURS annuitant" means a person who (1)~~
3 ~~on or after January 1, 1998, becomes an annuitant, as defined~~
4 ~~in subsection (b), by virtue of beginning to receive a~~
5 ~~retirement annuity under Article 15 of the Illinois Pension~~
6 ~~Code, (2) has not made the election authorized under Section~~
7 ~~15 135.1 of the Illinois Pension Code, and (3) is eligible to~~
8 ~~participate in the basic program of group health benefits~~
9 ~~provided for annuitants under this Act.~~

10 (b-7) (Blank). ~~"New TRS State annuitant" means a person~~
11 ~~who, on or after July 1, 1998, becomes an annuitant, as defined~~
12 ~~in subsection (b), by virtue of beginning to receive a~~
13 ~~retirement annuity under Article 16 of the Illinois Pension~~
14 ~~Code based on service as a teacher as defined in paragraph (2),~~
15 ~~(3), or (5) of Section 16 106 of that Code, and is eligible to~~
16 ~~participate in the basic program of group health benefits~~
17 ~~provided for annuitants under this Act.~~

18 (c) "Carrier" means (1) an insurance company, a corporation
19 organized under the Limited Health Service Organization Act or
20 the Voluntary Health Services Plan Act, a partnership, or other
21 nongovernmental organization, which is authorized to do group
22 life or group health insurance business in Illinois, or (2) the
23 State of Illinois as a self-insurer.

24 (d) "Compensation" means salary or wages payable on a
25 regular payroll by the State Treasurer on a warrant of the
26 State Comptroller out of any State, trust or federal fund, or

1 by the Governor of the State through a disbursing officer of
2 the State out of a trust or out of federal funds, or by any
3 Department out of State, trust, federal or other funds held by
4 the State Treasurer or the Department, to any person for
5 personal services currently performed, and ordinary or
6 accidental disability benefits under Articles 2, 14, 15
7 (including ordinary or accidental disability benefits under
8 the optional retirement program established under Section
9 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
10 Article 18 of the Illinois Pension Code, for disability
11 incurred after January 1, 1966, or benefits payable under the
12 Workers' Compensation or Occupational Diseases Act or benefits
13 payable under a sick pay plan established in accordance with
14 Section 36 of the State Finance Act. "Compensation" also means
15 salary or wages paid to an employee of any qualified local
16 government, qualified rehabilitation facility, qualified
17 domestic violence shelter or service, or qualified child
18 advocacy center.

19 (e) "Commission" means the State Employees Group Insurance
20 Advisory Commission authorized by this Act. Commencing July 1,
21 1984, "Commission" as used in this Act means the Commission on
22 Government Forecasting and Accountability as established by
23 the Legislative Commission Reorganization Act of 1984.

24 (f) "Contributory", when referred to as contributory
25 coverage, shall mean optional coverages or benefits elected by
26 the member toward the cost of which such member makes

1 contribution, or which are funded in whole or in part through
2 the acceptance of a reduction in earnings or the foregoing of
3 an increase in earnings by an employee, as distinguished from
4 noncontributory coverage or benefits which are paid entirely by
5 the State of Illinois without reduction of the member's salary.

6 (g) "Department" means any department, institution, board,
7 commission, officer, court or any agency of the State
8 government receiving appropriations and having power to
9 certify payrolls to the Comptroller authorizing payments of
10 salary and wages against such appropriations as are made by the
11 General Assembly from any State fund, or against trust funds
12 held by the State Treasurer and includes boards of trustees of
13 the retirement systems created by Articles 2, 14, 15, 16 and 18
14 of the Illinois Pension Code. "Department" also includes the
15 Illinois Comprehensive Health Insurance Board, the Board of
16 Examiners established under the Illinois Public Accounting
17 Act, and the Illinois Finance Authority.

18 (h) "Dependent", when the term is used in the context of
19 the health and life plan, means a member's spouse and any child
20 (1) from birth to age 26 including an adopted child, a child
21 who lives with the member from the time of the filing of a
22 petition for adoption until entry of an order of adoption, a
23 stepchild or adjudicated child, or a child who lives with the
24 member if such member is a court appointed guardian of the
25 child or (2) age 19 or over who is mentally or physically
26 disabled from a cause originating prior to the age of 19 (age

1 26 if enrolled as an adult child dependent). For the health
2 plan only, the term "dependent" also includes (1) any person
3 enrolled prior to the effective date of this Section who is
4 dependent upon the member to the extent that the member may
5 claim such person as a dependent for income tax deduction
6 purposes and (2) any person who has received after June 30,
7 2000 an organ transplant and who is financially dependent upon
8 the member and eligible to be claimed as a dependent for income
9 tax purposes. A member requesting to cover any dependent must
10 provide documentation as requested by the Department of Central
11 Management Services and file with the Department any and all
12 forms required by the Department.

13 (i) "Director" means the Director of the Illinois
14 Department of Central Management Services or of any successor
15 agency designated to administer this Act.

16 (j) "Eligibility period" means the period of time a member
17 has to elect enrollment in programs or to select benefits
18 without regard to age, sex or health.

19 (k) "Employee" means and includes each officer or employee
20 in the service of a department who (1) receives his
21 compensation for service rendered to the department on a
22 warrant issued pursuant to a payroll certified by a department
23 or on a warrant or check issued and drawn by a department upon
24 a trust, federal or other fund or on a warrant issued pursuant
25 to a payroll certified by an elected or duly appointed officer
26 of the State or who receives payment of the performance of

1 personal services on a warrant issued pursuant to a payroll
2 certified by a Department and drawn by the Comptroller upon the
3 State Treasurer against appropriations made by the General
4 Assembly from any fund or against trust funds held by the State
5 Treasurer, and (2) is employed full-time or part-time in a
6 position normally requiring actual performance of duty during
7 not less than 1/2 of a normal work period, as established by
8 the Director in cooperation with each department, except that
9 persons elected by popular vote will be considered employees
10 during the entire term for which they are elected regardless of
11 hours devoted to the service of the State, and (3) except that
12 "employee" does not include any person who is not eligible by
13 reason of such person's employment to participate in one of the
14 State retirement systems under Articles 2, 14, 15 (either the
15 regular Article 15 system or the optional retirement program
16 established under Section 15-158.2) or 18, or under paragraph
17 (2), (3), or (5) of Section 16-106, of the Illinois Pension
18 Code, but such term does include persons who are employed
19 during the 6 month qualifying period under Article 14 of the
20 Illinois Pension Code. Such term also includes any person who
21 (1) after January 1, 1966, is receiving ordinary or accidental
22 disability benefits under Articles 2, 14, 15 (including
23 ordinary or accidental disability benefits under the optional
24 retirement program established under Section 15-158.2),
25 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of
26 the Illinois Pension Code, for disability incurred after

1 January 1, 1966, (2) receives total permanent or total
2 temporary disability under the Workers' Compensation Act or
3 Occupational Disease Act as a result of injuries sustained or
4 illness contracted in the course of employment with the State
5 of Illinois, or (3) is not otherwise covered under this Act and
6 has retired as a participating member under Article 2 of the
7 Illinois Pension Code but is ineligible for the retirement
8 annuity under Section 2-119 of the Illinois Pension Code.
9 However, a person who satisfies the criteria of the foregoing
10 definition of "employee" except that such person is made
11 ineligible to participate in the State Universities Retirement
12 System by clause (4) of subsection (a) of Section 15-107 of the
13 Illinois Pension Code is also an "employee" for the purposes of
14 this Act. "Employee" also includes any person receiving or
15 eligible for benefits under a sick pay plan established in
16 accordance with Section 36 of the State Finance Act. "Employee"
17 also includes (i) each officer or employee in the service of a
18 qualified local government, including persons appointed as
19 trustees of sanitary districts regardless of hours devoted to
20 the service of the sanitary district, (ii) each employee in the
21 service of a qualified rehabilitation facility, (iii) each
22 full-time employee in the service of a qualified domestic
23 violence shelter or service, and (iv) each full-time employee
24 in the service of a qualified child advocacy center, as
25 determined according to rules promulgated by the Director.

26 (1) "Member" means an employee, annuitant, retired

1 employee or survivor. In the case of an annuitant or retired
2 employee who first becomes an annuitant or retired employee on
3 or after the effective date of this amendatory Act of the 97th
4 General Assembly, the individual must meet the minimum vesting
5 requirements of the applicable retirement system in order to be
6 eligible for group insurance benefits under that system. In the
7 case of a survivor who first becomes a survivor on or after the
8 effective date of this amendatory Act of the 97th General
9 Assembly, the deceased employee, annuitant, or retired
10 employee upon whom the annuity is based must have been eligible
11 to participate in the group insurance system under the
12 applicable retirement system in order for the survivor to be
13 eligible for group insurance benefits under that system.

14 (m) "Optional coverages or benefits" means those coverages
15 or benefits available to the member on his or her voluntary
16 election, and at his or her own expense.

17 (n) "Program" means the group life insurance, health
18 benefits and other employee benefits designed and contracted
19 for by the Director under this Act.

20 (o) "Health plan" means a health benefits program offered
21 by the State of Illinois for persons eligible for the plan.

22 (p) "Retired employee" means any person who would be an
23 annuitant as that term is defined herein but for the fact that
24 such person retired prior to January 1, 1966. Such term also
25 includes any person formerly employed by the University of
26 Illinois in the Cooperative Extension Service who would be an

1 annuitant but for the fact that such person was made ineligible
2 to participate in the State Universities Retirement System by
3 clause (4) of subsection (a) of Section 15-107 of the Illinois
4 Pension Code.

5 (q) "Survivor" means a person receiving an annuity as a
6 survivor of an employee or of an annuitant. "Survivor" also
7 includes: (1) the surviving dependent of a person who satisfies
8 the definition of "employee" except that such person is made
9 ineligible to participate in the State Universities Retirement
10 System by clause (4) of subsection (a) of Section 15-107 of the
11 Illinois Pension Code; (2) the surviving dependent of any
12 person formerly employed by the University of Illinois in the
13 Cooperative Extension Service who would be an annuitant except
14 for the fact that such person was made ineligible to
15 participate in the State Universities Retirement System by
16 clause (4) of subsection (a) of Section 15-107 of the Illinois
17 Pension Code; and (3) the surviving dependent of a person who
18 was an annuitant under this Act by virtue of receiving an
19 alternative retirement cancellation payment under Section
20 14-108.5 of the Illinois Pension Code.

21 (q-2) "SERS" means the State Employees' Retirement System
22 of Illinois, created under Article 14 of the Illinois Pension
23 Code.

24 (q-3) "SURS" means the State Universities Retirement
25 System, created under Article 15 of the Illinois Pension Code.

26 (q-4) "TRS" means the Teachers' Retirement System of the

1 State of Illinois, created under Article 16 of the Illinois
2 Pension Code.

3 (q-5) (Blank). ~~"New SERS survivor" means a survivor, as~~
4 ~~defined in subsection (q), whose annuity is paid under Article~~
5 ~~14 of the Illinois Pension Code and is based on the death of~~
6 ~~(i) an employee whose death occurs on or after January 1, 1998,~~
7 ~~or (ii) a new SERS annuitant as defined in subsection (b 5).~~
8 ~~"New SERS survivor" includes the surviving dependent of a~~
9 ~~person who was an annuitant under this Act by virtue of~~
10 ~~receiving an alternative retirement cancellation payment under~~
11 ~~Section 14-108.5 of the Illinois Pension Code.~~

12 (q-6) (Blank). ~~"New SERS survivor" means a survivor, as~~
13 ~~defined in subsection (q), whose annuity is paid under Article~~
14 ~~15 of the Illinois Pension Code and is based on the death of~~
15 ~~(i) an employee whose death occurs on or after January 1, 1998,~~
16 ~~or (ii) a new SERS annuitant as defined in subsection (b 6).~~

17 (q-7) (Blank). ~~"New TRS State survivor" means a survivor,~~
18 ~~as defined in subsection (q), whose annuity is paid under~~
19 ~~Article 16 of the Illinois Pension Code and is based on the~~
20 ~~death of (i) an employee who is a teacher as defined in~~
21 ~~paragraph (2), (3), or (5) of Section 16-106 of that Code and~~
22 ~~whose death occurs on or after July 1, 1998, or (ii) a new TRS~~
23 ~~State annuitant as defined in subsection (b 7).~~

24 (r) "Medical services" means the services provided within
25 the scope of their licenses by practitioners in all categories
26 licensed under the Medical Practice Act of 1987.

1 (s) "Unit of local government" means any county,
2 municipality, township, school district (including a
3 combination of school districts under the Intergovernmental
4 Cooperation Act), special district or other unit, designated as
5 a unit of local government by law, which exercises limited
6 governmental powers or powers in respect to limited
7 governmental subjects, any not-for-profit association with a
8 membership that primarily includes townships and township
9 officials, that has duties that include provision of research
10 service, dissemination of information, and other acts for the
11 purpose of improving township government, and that is funded
12 wholly or partly in accordance with Section 85-15 of the
13 Township Code; any not-for-profit corporation or association,
14 with a membership consisting primarily of municipalities, that
15 operates its own utility system, and provides research,
16 training, dissemination of information, or other acts to
17 promote cooperation between and among municipalities that
18 provide utility services and for the advancement of the goals
19 and purposes of its membership; the Southern Illinois
20 Collegiate Common Market, which is a consortium of higher
21 education institutions in Southern Illinois; the Illinois
22 Association of Park Districts; and any hospital provider that
23 is owned by a county that has 100 or fewer hospital beds and
24 has not already joined the program. "Qualified local
25 government" means a unit of local government approved by the
26 Director and participating in a program created under

1 subsection (i) of Section 10 of this Act.

2 (t) "Qualified rehabilitation facility" means any
3 not-for-profit organization that is accredited by the
4 Commission on Accreditation of Rehabilitation Facilities or
5 certified by the Department of Human Services (as successor to
6 the Department of Mental Health and Developmental
7 Disabilities) to provide services to persons with disabilities
8 and which receives funds from the State of Illinois for
9 providing those services, approved by the Director and
10 participating in a program created under subsection (j) of
11 Section 10 of this Act.

12 (u) "Qualified domestic violence shelter or service" means
13 any Illinois domestic violence shelter or service and its
14 administrative offices funded by the Department of Human
15 Services (as successor to the Illinois Department of Public
16 Aid), approved by the Director and participating in a program
17 created under subsection (k) of Section 10.

18 (v) "TRS benefit recipient" means a person who:

19 (1) is not a "member" as defined in this Section; and

20 (2) is receiving a monthly benefit or retirement
21 annuity under Article 16 of the Illinois Pension Code; and

22 (3) either (i) has at least 8 years of creditable
23 service under Article 16 of the Illinois Pension Code, or
24 (ii) was enrolled in the health insurance program offered
25 under that Article on January 1, 1996, or (iii) is the
26 survivor of a benefit recipient who had at least 8 years of

1 creditable service under Article 16 of the Illinois Pension
2 Code or was enrolled in the health insurance program
3 offered under that Article on the effective date of this
4 amendatory Act of 1995, or (iv) is a recipient or survivor
5 of a recipient of a disability benefit under Article 16 of
6 the Illinois Pension Code.

7 (w) "TRS dependent beneficiary" means a person who:

8 (1) is not a "member" or "dependent" as defined in this
9 Section; and

10 (2) is a TRS benefit recipient's: (A) spouse, (B)
11 dependent parent who is receiving at least half of his or
12 her support from the TRS benefit recipient, or (C) natural,
13 step, adjudicated, or adopted child who is (i) under age
14 26, (ii) was, on January 1, 1996, participating as a
15 dependent beneficiary in the health insurance program
16 offered under Article 16 of the Illinois Pension Code, or
17 (iii) age 19 or over who is mentally or physically disabled
18 from a cause originating prior to the age of 19 (age 26 if
19 enrolled as an adult child).

20 "TRS dependent beneficiary" does not include, as indicated
21 under paragraph (2) of this subsection (w), a dependent of the
22 survivor of a TRS benefit recipient who first becomes a
23 dependent of a survivor of a TRS benefit recipient on or after
24 the effective date of this amendatory Act of the 97th General
25 Assembly unless that dependent would have been eligible for
26 coverage as a dependent of the deceased TRS benefit recipient

1 upon whom the survivor benefit is based.

2 (x) "Military leave" refers to individuals in basic
3 training for reserves, special/advanced training, annual
4 training, emergency call up, activation by the President of the
5 United States, or any other training or duty in service to the
6 United States Armed Forces.

7 (y) (Blank).

8 (z) "Community college benefit recipient" means a person
9 who:

10 (1) is not a "member" as defined in this Section; and

11 (2) is receiving a monthly survivor's annuity or
12 retirement annuity under Article 15 of the Illinois Pension
13 Code; and

14 (3) either (i) was a full-time employee of a community
15 college district or an association of community college
16 boards created under the Public Community College Act
17 (other than an employee whose last employer under Article
18 15 of the Illinois Pension Code was a community college
19 district subject to Article VII of the Public Community
20 College Act) and was eligible to participate in a group
21 health benefit plan as an employee during the time of
22 employment with a community college district (other than a
23 community college district subject to Article VII of the
24 Public Community College Act) or an association of
25 community college boards, or (ii) is the survivor of a
26 person described in item (i).

1 (aa) "Community college dependent beneficiary" means a
2 person who:

3 (1) is not a "member" or "dependent" as defined in this
4 Section; and

5 (2) is a community college benefit recipient's: (A)
6 spouse, (B) dependent parent who is receiving at least half
7 of his or her support from the community college benefit
8 recipient, or (C) natural, step, adjudicated, or adopted
9 child who is (i) under age 26, or (ii) age 19 or over and
10 mentally or physically disabled from a cause originating
11 prior to the age of 19 (age 26 if enrolled as an adult
12 child).

13 "Community college dependent beneficiary" does not
14 include, as indicated under paragraph (2) of this subsection
15 (aa), a dependent of the survivor of a community college
16 benefit recipient who first becomes a dependent of a survivor
17 of a community college benefit recipient on or after the
18 effective date of this amendatory Act of the 97th General
19 Assembly unless that dependent would have been eligible for
20 coverage as a dependent of the deceased community college
21 benefit recipient upon whom the survivor annuity is based.

22 (bb) "Qualified child advocacy center" means any Illinois
23 child advocacy center and its administrative offices funded by
24 the Department of Children and Family Services, as defined by
25 the Children's Advocacy Center Act (55 ILCS 80/), approved by
26 the Director and participating in a program created under

1 subsection (n) of Section 10.

2 (Source: P.A. 96-756, eff. 1-1-10; 96-1519, eff. 2-4-11;
3 97-668, eff. 1-13-12.)

4 (5 ILCS 375/10) (from Ch. 127, par. 530)

5 Sec. 10. Contributions by the State and members. ~~Payments~~
6 ~~by State, premiums.~~

7 (a) The State shall pay the cost of basic non-contributory
8 group life insurance and, subject to member paid contributions
9 set by the Department or required by this Section and except as
10 provided in this Section, the basic program of group health
11 benefits on each eligible member, except a member, not
12 otherwise covered by this Act, who has retired as a
13 participating member under Article 2 of the Illinois Pension
14 Code but is ineligible for the retirement annuity under Section
15 2-119 of the Illinois Pension Code, and part of each eligible
16 member's and retired member's premiums for health insurance
17 coverage for enrolled dependents as provided by Section 9. The
18 State shall pay the cost of the basic program of group health
19 benefits only after benefits are reduced by the amount of
20 benefits covered by Medicare for all members and dependents who
21 are eligible for benefits under Social Security or the Railroad
22 Retirement system or who had sufficient Medicare-covered
23 government employment, except that such reduction in benefits
24 shall apply only to those members and dependents who (1) first
25 become eligible for such Medicare coverage on or after July 1,

1 1992; or (2) are Medicare-eligible members or dependents of a
2 local government unit which began participation in the program
3 on or after July 1, 1992; or (3) remain eligible for, but no
4 longer receive Medicare coverage which they had been receiving
5 on or after July 1, 1992. The Department may determine the
6 aggregate level of the State's contribution on the basis of
7 actual cost of medical services adjusted for age, sex or
8 geographic or other demographic characteristics which affect
9 the costs of such programs.

10 The cost of participation in the basic program of group
11 health benefits for the dependent or survivor of a living or
12 deceased retired employee who was formerly employed by the
13 University of Illinois in the Cooperative Extension Service and
14 would be an annuitant but for the fact that he or she was made
15 ineligible to participate in the State Universities Retirement
16 System by clause (4) of subsection (a) of Section 15-107 of the
17 Illinois Pension Code shall not be greater than the cost of
18 participation that would otherwise apply to that dependent or
19 survivor if he or she were the dependent or survivor of an
20 annuitant under the State Universities Retirement System.

21 (a-1) (Blank). ~~Beginning January 1, 1998, for each person~~
22 ~~who becomes a new SERS annuitant and participates in the basic~~
23 ~~program of group health benefits, the State shall contribute~~
24 ~~toward the cost of the annuitant's coverage under the basic~~
25 ~~program of group health benefits an amount equal to 5% of that~~
26 ~~cost for each full year of creditable service upon which the~~

1 ~~annuitant's retirement annuity is based, up to a maximum of~~
2 ~~100% for an annuitant with 20 or more years of creditable~~
3 ~~service. The remainder of the cost of a new SERS annuitant's~~
4 ~~coverage under the basic program of group health benefits shall~~
5 ~~be the responsibility of the annuitant. In the case of a new~~
6 ~~SERS annuitant who has elected to receive an alternative~~
7 ~~retirement cancellation payment under Section 14-108.5 of the~~
8 ~~Illinois Pension Code in lieu of an annuity, for the purposes~~
9 ~~of this subsection the annuitant shall be deemed to be~~
10 ~~receiving a retirement annuity based on the number of years of~~
11 ~~creditable service that the annuitant had established at the~~
12 ~~time of his or her termination of service under SERS.~~

13 (a-2) (Blank). ~~Beginning January 1, 1998, for each person~~
14 ~~who becomes a new SERS survivor and participates in the basic~~
15 ~~program of group health benefits, the State shall contribute~~
16 ~~toward the cost of the survivor's coverage under the basic~~
17 ~~program of group health benefits an amount equal to 5% of that~~
18 ~~cost for each full year of the deceased employee's or deceased~~
19 ~~annuitant's creditable service in the State Employees'~~
20 ~~Retirement System of Illinois on the date of death, up to a~~
21 ~~maximum of 100% for a survivor of an employee or annuitant with~~
22 ~~20 or more years of creditable service. The remainder of the~~
23 ~~cost of the new SERS survivor's coverage under the basic~~
24 ~~program of group health benefits shall be the responsibility of~~
25 ~~the survivor. In the case of a new SERS survivor who was the~~
26 ~~dependent of an annuitant who elected to receive an alternative~~

1 ~~retirement cancellation payment under Section 14-108.5 of the~~
2 ~~Illinois Pension Code in lieu of an annuity, for the purposes~~
3 ~~of this subsection the deceased annuitant's creditable service~~
4 ~~shall be determined as of the date of termination of service~~
5 ~~rather than the date of death.~~

6 (a-3) (Blank). ~~Beginning January 1, 1998, for each person~~
7 ~~who becomes a new SURS annuitant and participates in the basic~~
8 ~~program of group health benefits, the State shall contribute~~
9 ~~toward the cost of the annuitant's coverage under the basic~~
10 ~~program of group health benefits an amount equal to 5% of that~~
11 ~~cost for each full year of creditable service upon which the~~
12 ~~annuitant's retirement annuity is based, up to a maximum of~~
13 ~~100% for an annuitant with 20 or more years of creditable~~
14 ~~service. The remainder of the cost of a new SURS annuitant's~~
15 ~~coverage under the basic program of group health benefits shall~~
16 ~~be the responsibility of the annuitant.~~

17 (a-4) (Blank).

18 (a-5) (Blank). ~~Beginning January 1, 1998, for each person~~
19 ~~who becomes a new SURS survivor and participates in the basic~~
20 ~~program of group health benefits, the State shall contribute~~
21 ~~toward the cost of the survivor's coverage under the basic~~
22 ~~program of group health benefits an amount equal to 5% of that~~
23 ~~cost for each full year of the deceased employee's or deceased~~
24 ~~annuitant's creditable service in the State Universities~~
25 ~~Retirement System on the date of death, up to a maximum of 100%~~
26 ~~for a survivor of an employee or annuitant with 20 or more~~

1 ~~years of creditable service. The remainder of the cost of the~~
2 ~~new SURS survivor's coverage under the basic program of group~~
3 ~~health benefits shall be the responsibility of the survivor.~~

4 (a-6) (Blank). ~~Beginning July 1, 1998, for each person who~~
5 ~~becomes a new TRS State annuitant and participates in the basic~~
6 ~~program of group health benefits, the State shall contribute~~
7 ~~toward the cost of the annuitant's coverage under the basic~~
8 ~~program of group health benefits an amount equal to 5% of that~~
9 ~~cost for each full year of creditable service as a teacher as~~
10 ~~defined in paragraph (2), (3), or (5) of Section 16-106 of the~~
11 ~~Illinois Pension Code upon which the annuitant's retirement~~
12 ~~annuity is based, up to a maximum of 100%; except that the~~
13 ~~State contribution shall be 12.5% per year (rather than 5%) for~~
14 ~~each full year of creditable service as a regional~~
15 ~~superintendent or assistant regional superintendent of~~
16 ~~schools. The remainder of the cost of a new TRS State~~
17 ~~annuitant's coverage under the basic program of group health~~
18 ~~benefits shall be the responsibility of the annuitant.~~

19 (a-7) (Blank). ~~Beginning July 1, 1998, for each person who~~
20 ~~becomes a new TRS State survivor and participates in the basic~~
21 ~~program of group health benefits, the State shall contribute~~
22 ~~toward the cost of the survivor's coverage under the basic~~
23 ~~program of group health benefits an amount equal to 5% of that~~
24 ~~cost for each full year of the deceased employee's or deceased~~
25 ~~annuitant's creditable service as a teacher as defined in~~
26 ~~paragraph (2), (3), or (5) of Section 16-106 of the Illinois~~

1 ~~Pension Code on the date of death, up to a maximum of 100%;~~
2 ~~except that the State contribution shall be 12.5% per year~~
3 ~~(rather than 5%) for each full year of the deceased employee's~~
4 ~~or deceased annuitant's creditable service as a regional~~
5 ~~superintendent or assistant regional superintendent of~~
6 ~~schools. The remainder of the cost of the new TRS State~~
7 ~~survivor's coverage under the basic program of group health~~
8 ~~benefits shall be the responsibility of the survivor.~~

9 (a-8) Any A new SERS annuitant, new SERS survivor, or
10 retired employee, new SURS annuitant, new SURS survivor, new
11 TRS State annuitant, or new TRS State survivor may waive or
12 terminate coverage in the program of group health benefits. Any
13 such annuitant, ~~or~~ survivor, or retired employee who has waived
14 or terminated coverage may enroll or re-enroll in the program
15 of group health benefits only during the annual benefit choice
16 period, as determined by the Director; except that in the event
17 of termination of coverage due to nonpayment of premiums, the
18 annuitant, ~~or~~ survivor, or retired employee may not re-enroll
19 in the program.

20 (a-8.5) Beginning on the effective date of this amendatory
21 Act of the 97th General Assembly, the Director of Central
22 Management Services shall, on an annual basis, determine the
23 amount that the State shall contribute toward the basic program
24 of group health benefits on behalf of annuitants (including
25 individuals who (i) participated in the General Assembly
26 Retirement System, the State Employees' Retirement System of

1 Illinois, the State Universities Retirement System, the
2 Teachers' Retirement System of the State of Illinois, or the
3 Judges Retirement System of Illinois and (ii) qualify as
4 annuitants under subsection (b) of Section 3 of this Act),
5 survivors (including individuals who (i) receive an annuity as
6 a survivor of an individual who participated in the General
7 Assembly Retirement System, the State Employees' Retirement
8 System of Illinois, the State Universities Retirement System,
9 the Teachers' Retirement System of the State of Illinois, or
10 the Judges Retirement System of Illinois and (ii) qualify as
11 survivors under subsection (q) of Section 3 of this Act), and
12 retired employees (as defined in subsection (p) of Section 3 of
13 this Act). The remainder of the cost of coverage for each
14 annuitant, survivor, or retired employee, as determined by the
15 Director of Central Management Services, shall be the
16 responsibility of that annuitant, survivor, or retired
17 employee.

18 Contributions required of annuitants, survivors, and
19 retired employees shall be the same for all retirement systems
20 and shall also be based on whether an individual has made an
21 election under Section 15-135.1 of the Illinois Pension Code.
22 Contributions may be based on annuitants', survivors', or
23 retired employees' Medicare eligibility, but may not be based
24 on Social Security eligibility.

25 (a-9) No later than May 1 of each calendar year, the
26 Director of Central Management Services shall certify in

1 writing to the Executive Secretary of the State Employees'
2 Retirement System of Illinois the amounts of the Medicare
3 supplement health care premiums and the amounts of the health
4 care premiums for all other retirees who are not Medicare
5 eligible.

6 A separate calculation of the premiums based upon the
7 actual cost of each health care plan shall be so certified.

8 The Director of Central Management Services shall provide
9 to the Executive Secretary of the State Employees' Retirement
10 System of Illinois such information, statistics, and other data
11 as he or she may require to review the premium amounts
12 certified by the Director of Central Management Services.

13 The Department of Healthcare and Family Services, or any
14 successor agency designated to procure healthcare contracts
15 pursuant to this Act, is authorized to establish funds,
16 separate accounts provided by any bank or banks as defined by
17 the Illinois Banking Act, or separate accounts provided by any
18 savings and loan association or associations as defined by the
19 Illinois Savings and Loan Act of 1985 to be held by the
20 Director, outside the State treasury, for the purpose of
21 receiving the transfer of moneys from the Local Government
22 Health Insurance Reserve Fund. The Department may promulgate
23 rules further defining the methodology for the transfers. Any
24 interest earned by moneys in the funds or accounts shall inure
25 to the Local Government Health Insurance Reserve Fund. The
26 transferred moneys, and interest accrued thereon, shall be used

1 exclusively for transfers to administrative service
2 organizations or their financial institutions for payments of
3 claims to claimants and providers under the self-insurance
4 health plan. The transferred moneys, and interest accrued
5 thereon, shall not be used for any other purpose including, but
6 not limited to, reimbursement of administration fees due the
7 administrative service organization pursuant to its contract
8 or contracts with the Department.

9 (b) State employees who become eligible for this program on
10 or after January 1, 1980 in positions normally requiring actual
11 performance of duty not less than 1/2 of a normal work period
12 but not equal to that of a normal work period, shall be given
13 the option of participating in the available program. If the
14 employee elects coverage, the State shall contribute on behalf
15 of such employee to the cost of the employee's benefit and any
16 applicable dependent supplement, that sum which bears the same
17 percentage as that percentage of time the employee regularly
18 works when compared to normal work period.

19 (c) The basic non-contributory coverage from the basic
20 program of group health benefits shall be continued for each
21 employee not in pay status or on active service by reason of
22 (1) leave of absence due to illness or injury, (2) authorized
23 educational leave of absence or sabbatical leave, or (3)
24 military leave. This coverage shall continue until expiration
25 of authorized leave and return to active service, but not to
26 exceed 24 months for leaves under item (1) or (2). This

1 24-month limitation and the requirement of returning to active
2 service shall not apply to persons receiving ordinary or
3 accidental disability benefits or retirement benefits through
4 the appropriate State retirement system or benefits under the
5 Workers' Compensation or Occupational Disease Act.

6 (d) The basic group life insurance coverage shall continue,
7 with full State contribution, where such person is (1) absent
8 from active service by reason of disability arising from any
9 cause other than self-inflicted, (2) on authorized educational
10 leave of absence or sabbatical leave, or (3) on military leave.

11 (e) Where the person is in non-pay status for a period in
12 excess of 30 days or on leave of absence, other than by reason
13 of disability, educational or sabbatical leave, or military
14 leave, such person may continue coverage only by making
15 personal payment equal to the amount normally contributed by
16 the State on such person's behalf. Such payments and coverage
17 may be continued: (1) until such time as the person returns to
18 a status eligible for coverage at State expense, but not to
19 exceed 24 months or (2) until such person's employment or
20 annuitant status with the State is terminated (exclusive of any
21 additional service imposed pursuant to law).

22 (f) The Department shall establish by rule the extent to
23 which other employee benefits will continue for persons in
24 non-pay status or who are not in active service.

25 (g) The State shall not pay the cost of the basic
26 non-contributory group life insurance, program of health

1 benefits and other employee benefits for members who are
2 survivors as defined by paragraphs (1) and (2) of subsection
3 (q) of Section 3 of this Act. The costs of benefits for these
4 survivors shall be paid by the survivors or by the University
5 of Illinois Cooperative Extension Service, or any combination
6 thereof. However, the State shall pay the amount of the
7 reduction in the cost of participation, if any, resulting from
8 the amendment to subsection (a) made by this amendatory Act of
9 the 91st General Assembly.

10 (h) Those persons occupying positions with any department
11 as a result of emergency appointments pursuant to Section 8b.8
12 of the Personnel Code who are not considered employees under
13 this Act shall be given the option of participating in the
14 programs of group life insurance, health benefits and other
15 employee benefits. Such persons electing coverage may
16 participate only by making payment equal to the amount normally
17 contributed by the State for similarly situated employees. Such
18 amounts shall be determined by the Director. Such payments and
19 coverage may be continued until such time as the person becomes
20 an employee pursuant to this Act or such person's appointment
21 is terminated.

22 (i) Any unit of local government within the State of
23 Illinois may apply to the Director to have its employees,
24 annuitants, and their dependents provided group health
25 coverage under this Act on a non-insured basis. To participate,
26 a unit of local government must agree to enroll all of its

1 employees, who may select coverage under either the State group
2 health benefits plan or a health maintenance organization that
3 has contracted with the State to be available as a health care
4 provider for employees as defined in this Act. A unit of local
5 government must remit the entire cost of providing coverage
6 under the State group health benefits plan or, for coverage
7 under a health maintenance organization, an amount determined
8 by the Director based on an analysis of the sex, age,
9 geographic location, or other relevant demographic variables
10 for its employees, except that the unit of local government
11 shall not be required to enroll those of its employees who are
12 covered spouses or dependents under this plan or another group
13 policy or plan providing health benefits as long as (1) an
14 appropriate official from the unit of local government attests
15 that each employee not enrolled is a covered spouse or
16 dependent under this plan or another group policy or plan, and
17 (2) at least 50% of the employees are enrolled and the unit of
18 local government remits the entire cost of providing coverage
19 to those employees, except that a participating school district
20 must have enrolled at least 50% of its full-time employees who
21 have not waived coverage under the district's group health plan
22 by participating in a component of the district's cafeteria
23 plan. A participating school district is not required to enroll
24 a full-time employee who has waived coverage under the
25 district's health plan, provided that an appropriate official
26 from the participating school district attests that the

1 full-time employee has waived coverage by participating in a
2 component of the district's cafeteria plan. For the purposes of
3 this subsection, "participating school district" includes a
4 unit of local government whose primary purpose is education as
5 defined by the Department's rules.

6 Employees of a participating unit of local government who
7 are not enrolled due to coverage under another group health
8 policy or plan may enroll in the event of a qualifying change
9 in status, special enrollment, special circumstance as defined
10 by the Director, or during the annual Benefit Choice Period. A
11 participating unit of local government may also elect to cover
12 its annuitants. Dependent coverage shall be offered on an
13 optional basis, with the costs paid by the unit of local
14 government, its employees, or some combination of the two as
15 determined by the unit of local government. The unit of local
16 government shall be responsible for timely collection and
17 transmission of dependent premiums.

18 The Director shall annually determine monthly rates of
19 payment, subject to the following constraints:

20 (1) In the first year of coverage, the rates shall be
21 equal to the amount normally charged to State employees for
22 elected optional coverages or for enrolled dependents
23 coverages or other contributory coverages, or contributed
24 by the State for basic insurance coverages on behalf of its
25 employees, adjusted for differences between State
26 employees and employees of the local government in age,

1 sex, geographic location or other relevant demographic
2 variables, plus an amount sufficient to pay for the
3 additional administrative costs of providing coverage to
4 employees of the unit of local government and their
5 dependents.

6 (2) In subsequent years, a further adjustment shall be
7 made to reflect the actual prior years' claims experience
8 of the employees of the unit of local government.

9 In the case of coverage of local government employees under
10 a health maintenance organization, the Director shall annually
11 determine for each participating unit of local government the
12 maximum monthly amount the unit may contribute toward that
13 coverage, based on an analysis of (i) the age, sex, geographic
14 location, and other relevant demographic variables of the
15 unit's employees and (ii) the cost to cover those employees
16 under the State group health benefits plan. The Director may
17 similarly determine the maximum monthly amount each unit of
18 local government may contribute toward coverage of its
19 employees' dependents under a health maintenance organization.

20 Monthly payments by the unit of local government or its
21 employees for group health benefits plan or health maintenance
22 organization coverage shall be deposited in the Local
23 Government Health Insurance Reserve Fund.

24 The Local Government Health Insurance Reserve Fund is
25 hereby created as a nonappropriated trust fund to be held
26 outside the State Treasury, with the State Treasurer as

1 custodian. The Local Government Health Insurance Reserve Fund
2 shall be a continuing fund not subject to fiscal year
3 limitations. The Local Government Health Insurance Reserve
4 Fund is not subject to administrative charges or charge-backs,
5 including but not limited to those authorized under Section 8h
6 of the State Finance Act. All revenues arising from the
7 administration of the health benefits program established
8 under this Section shall be deposited into the Local Government
9 Health Insurance Reserve Fund. Any interest earned on moneys in
10 the Local Government Health Insurance Reserve Fund shall be
11 deposited into the Fund. All expenditures from this Fund shall
12 be used for payments for health care benefits for local
13 government and rehabilitation facility employees, annuitants,
14 and dependents, and to reimburse the Department or its
15 administrative service organization for all expenses incurred
16 in the administration of benefits. No other State funds may be
17 used for these purposes.

18 A local government employer's participation or desire to
19 participate in a program created under this subsection shall
20 not limit that employer's duty to bargain with the
21 representative of any collective bargaining unit of its
22 employees.

23 (j) Any rehabilitation facility within the State of
24 Illinois may apply to the Director to have its employees,
25 annuitants, and their eligible dependents provided group
26 health coverage under this Act on a non-insured basis. To

1 participate, a rehabilitation facility must agree to enroll all
2 of its employees and remit the entire cost of providing such
3 coverage for its employees, except that the rehabilitation
4 facility shall not be required to enroll those of its employees
5 who are covered spouses or dependents under this plan or
6 another group policy or plan providing health benefits as long
7 as (1) an appropriate official from the rehabilitation facility
8 attests that each employee not enrolled is a covered spouse or
9 dependent under this plan or another group policy or plan, and
10 (2) at least 50% of the employees are enrolled and the
11 rehabilitation facility remits the entire cost of providing
12 coverage to those employees. Employees of a participating
13 rehabilitation facility who are not enrolled due to coverage
14 under another group health policy or plan may enroll in the
15 event of a qualifying change in status, special enrollment,
16 special circumstance as defined by the Director, or during the
17 annual Benefit Choice Period. A participating rehabilitation
18 facility may also elect to cover its annuitants. Dependent
19 coverage shall be offered on an optional basis, with the costs
20 paid by the rehabilitation facility, its employees, or some
21 combination of the 2 as determined by the rehabilitation
22 facility. The rehabilitation facility shall be responsible for
23 timely collection and transmission of dependent premiums.

24 The Director shall annually determine quarterly rates of
25 payment, subject to the following constraints:

26 (1) In the first year of coverage, the rates shall be

1 equal to the amount normally charged to State employees for
2 elected optional coverages or for enrolled dependents
3 coverages or other contributory coverages on behalf of its
4 employees, adjusted for differences between State
5 employees and employees of the rehabilitation facility in
6 age, sex, geographic location or other relevant
7 demographic variables, plus an amount sufficient to pay for
8 the additional administrative costs of providing coverage
9 to employees of the rehabilitation facility and their
10 dependents.

11 (2) In subsequent years, a further adjustment shall be
12 made to reflect the actual prior years' claims experience
13 of the employees of the rehabilitation facility.

14 Monthly payments by the rehabilitation facility or its
15 employees for group health benefits shall be deposited in the
16 Local Government Health Insurance Reserve Fund.

17 (k) Any domestic violence shelter or service within the
18 State of Illinois may apply to the Director to have its
19 employees, annuitants, and their dependents provided group
20 health coverage under this Act on a non-insured basis. To
21 participate, a domestic violence shelter or service must agree
22 to enroll all of its employees and pay the entire cost of
23 providing such coverage for its employees. The domestic
24 violence shelter shall not be required to enroll those of its
25 employees who are covered spouses or dependents under this plan
26 or another group policy or plan providing health benefits as

1 long as (1) an appropriate official from the domestic violence
2 shelter attests that each employee not enrolled is a covered
3 spouse or dependent under this plan or another group policy or
4 plan and (2) at least 50% of the employees are enrolled and the
5 domestic violence shelter remits the entire cost of providing
6 coverage to those employees. Employees of a participating
7 domestic violence shelter who are not enrolled due to coverage
8 under another group health policy or plan may enroll in the
9 event of a qualifying change in status, special enrollment, or
10 special circumstance as defined by the Director or during the
11 annual Benefit Choice Period. A participating domestic
12 violence shelter may also elect to cover its annuitants.
13 Dependent coverage shall be offered on an optional basis, with
14 employees, or some combination of the 2 as determined by the
15 domestic violence shelter or service. The domestic violence
16 shelter or service shall be responsible for timely collection
17 and transmission of dependent premiums.

18 The Director shall annually determine rates of payment,
19 subject to the following constraints:

20 (1) In the first year of coverage, the rates shall be
21 equal to the amount normally charged to State employees for
22 elected optional coverages or for enrolled dependents
23 coverages or other contributory coverages on behalf of its
24 employees, adjusted for differences between State
25 employees and employees of the domestic violence shelter or
26 service in age, sex, geographic location or other relevant

1 demographic variables, plus an amount sufficient to pay for
2 the additional administrative costs of providing coverage
3 to employees of the domestic violence shelter or service
4 and their dependents.

5 (2) In subsequent years, a further adjustment shall be
6 made to reflect the actual prior years' claims experience
7 of the employees of the domestic violence shelter or
8 service.

9 Monthly payments by the domestic violence shelter or
10 service or its employees for group health insurance shall be
11 deposited in the Local Government Health Insurance Reserve
12 Fund.

13 (1) A public community college or entity organized pursuant
14 to the Public Community College Act may apply to the Director
15 initially to have only annuitants not covered prior to July 1,
16 1992 by the district's health plan provided health coverage
17 under this Act on a non-insured basis. The community college
18 must execute a 2-year contract to participate in the Local
19 Government Health Plan. Any annuitant may enroll in the event
20 of a qualifying change in status, special enrollment, special
21 circumstance as defined by the Director, or during the annual
22 Benefit Choice Period.

23 The Director shall annually determine monthly rates of
24 payment subject to the following constraints: for those
25 community colleges with annuitants only enrolled, first year
26 rates shall be equal to the average cost to cover claims for a

1 State member adjusted for demographics, Medicare
2 participation, and other factors; and in the second year, a
3 further adjustment of rates shall be made to reflect the actual
4 first year's claims experience of the covered annuitants.

5 (1-5) The provisions of subsection (1) become inoperative
6 on July 1, 1999.

7 (m) The Director shall adopt any rules deemed necessary for
8 implementation of this amendatory Act of 1989 (Public Act
9 86-978).

10 (n) Any child advocacy center within the State of Illinois
11 may apply to the Director to have its employees, annuitants,
12 and their dependents provided group health coverage under this
13 Act on a non-insured basis. To participate, a child advocacy
14 center must agree to enroll all of its employees and pay the
15 entire cost of providing coverage for its employees. The child
16 advocacy center shall not be required to enroll those of its
17 employees who are covered spouses or dependents under this plan
18 or another group policy or plan providing health benefits as
19 long as (1) an appropriate official from the child advocacy
20 center attests that each employee not enrolled is a covered
21 spouse or dependent under this plan or another group policy or
22 plan and (2) at least 50% of the employees are enrolled and the
23 child advocacy center remits the entire cost of providing
24 coverage to those employees. Employees of a participating child
25 advocacy center who are not enrolled due to coverage under
26 another group health policy or plan may enroll in the event of

1 a qualifying change in status, special enrollment, or special
2 circumstance as defined by the Director or during the annual
3 Benefit Choice Period. A participating child advocacy center
4 may also elect to cover its annuitants. Dependent coverage
5 shall be offered on an optional basis, with the costs paid by
6 the child advocacy center, its employees, or some combination
7 of the 2 as determined by the child advocacy center. The child
8 advocacy center shall be responsible for timely collection and
9 transmission of dependent premiums.

10 The Director shall annually determine rates of payment,
11 subject to the following constraints:

12 (1) In the first year of coverage, the rates shall be
13 equal to the amount normally charged to State employees for
14 elected optional coverages or for enrolled dependents
15 coverages or other contributory coverages on behalf of its
16 employees, adjusted for differences between State
17 employees and employees of the child advocacy center in
18 age, sex, geographic location, or other relevant
19 demographic variables, plus an amount sufficient to pay for
20 the additional administrative costs of providing coverage
21 to employees of the child advocacy center and their
22 dependents.

23 (2) In subsequent years, a further adjustment shall be
24 made to reflect the actual prior years' claims experience
25 of the employees of the child advocacy center.

26 Monthly payments by the child advocacy center or its

1 employees for group health insurance shall be deposited into
2 the Local Government Health Insurance Reserve Fund.

3 (Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07;
4 95-707, eff. 1-11-08; 96-756, eff. 1-1-10; 96-1232, eff.
5 7-23-10; 96-1519, eff. 2-4-11.)

6 (5 ILCS 375/15) (from Ch. 127, par. 535)

7 Sec. 15. Administration; rules; audit; review.

8 (a) The Director shall administer this Act and shall
9 prescribe such rules and regulations as are necessary to give
10 full effect to the purposes of this Act. To facilitate the
11 maintenance of the program of group health benefits provided to
12 annuitants, survivors, and retired employees under this Act,
13 rules adopted by the Director to alter the contributions to be
14 paid by the State, annuitants, survivors, retired employees, or
15 any combination of those entities, for that program of group
16 health benefits, shall be adopted as emergency rules in
17 accordance with Section 5-45 of the Illinois Administrative
18 Procedure Act.

19 (b) These rules may fix reasonable standards for the group
20 life and group health programs and other benefit programs
21 offered under this Act, and for the contractors providing them.

22 (c) These rules shall specify that covered and optional
23 medical services of the program are services provided within
24 the scope of their licenses by practitioners in all categories
25 licensed under the Medical Practice Act of 1987 and shall

1 provide that all eligible persons be fully informed of this
2 specification.

3 (d) These rules shall establish eligibility requirements
4 for members and dependents as may be necessary to supplement or
5 clarify requirements contained in this Act.

6 (e) Each affected department of the State, the State
7 Universities Retirement System, the Teachers' Retirement
8 System, and each qualified local government, rehabilitation
9 facility, domestic violence shelter or service, or child
10 advocacy center, shall keep such records, make such
11 certifications, and furnish the Director such information as
12 may be necessary for the administration of this Act, including
13 information concerning number and total amounts of payroll of
14 employees of the department who are paid from trust funds or
15 federal funds.

16 (f) Each member, each community college benefit recipient
17 to whom this Act applies, and each TRS benefit recipient to
18 whom this Act applies shall furnish the Director, in such form
19 as may be required, any information that may be necessary to
20 enroll such member or benefit recipient and, if applicable, his
21 or her dependents or dependent beneficiaries under the programs
22 or plan, including such data as may be required to allow the
23 Director to accumulate statistics on data normally considered
24 in actuarial studies of employee groups. Information about
25 community college benefit recipients and community college
26 dependent beneficiaries shall be furnished through the State

1 Universities Retirement System. Information about TRS benefit
2 recipients and TRS dependent beneficiaries shall be furnished
3 through the Teachers' Retirement System.

4 (g) There shall be audits and reports on the programs
5 authorized and established by this Act prepared by the Director
6 with the assistance of a qualified, independent accounting
7 firm. The reports shall provide information on the experience,
8 and administrative effectiveness and adequacy of the program
9 including, when applicable, recommendations on up-grading of
10 benefits and improvement of the program.

11 (h) Any final order, decision or other determination made,
12 issued or executed by the Director under the provisions of this
13 Act whereby any contractor or person is aggrieved shall be
14 subject to review in accordance with the provisions of the
15 Administrative Review Law and all amendments and modifications
16 thereof, and the rules adopted pursuant thereto, shall apply to
17 and govern all proceedings for the judicial review of final
18 administrative decisions of the Director.

19 (Source: P.A. 94-860, eff. 6-16-06.)

20 Section 99. Effective date. This Act takes effect July 1,
21 2012.".